



DIVISION OF
ENFORCEMENT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
100 PEARL STREET, SUITE 20-100
NEW YORK, NY 10004-2616

May 29, 2025

Via ECF

Hon. Andre M. Espinosa
United States Magistrate Judge
District of New Jersey
Martin Luther King Jr. Courthouse
50 Walnut Street, Room 2037
Newark, NJ 07102

Re: *SEC v. Salzano*, 21-cv-12189 (BRM/AME)

Dear Judge Espinosa:

Plaintiff Securities and Exchange Commission (“SEC”) respectfully submits this status report pursuant to the Court’s March 7, 2025 Letter Order (Dkt. 18).

By way of background, on June 6, 2021, the SEC filed its complaint in this matter against defendant Thomas Nicholas Salzano (“Salzano”). (Dkt. 1.) On August 2, 2021, the United States Attorney’s Office for the District of New Jersey (“USAO”) moved to intervene and stay this action in light of the USAO’s parallel criminal case against Salzano, *United States v. Salzano*, 21-mj-13062 (LDW) (D.N.J.). (See Dkt. 7.) On August 16, 2021, the Court granted the USAO’s motion and stayed this action “pending conclusion of criminal proceedings in *United States v. Salzano*, Mag. No. 21-13062 (LDW), and any related proceedings before the United States District Court, including trial (“Criminal Case”).” (Dkt. 14.)

On October 12, 2022, the USAO filed an indictment against Salzano, as well as against a co-defendant, Rey E. Grabato, II (“Grabato”), in the parallel Criminal Case. See *United States v. Thomas Nicholas Salzano, a/k/a “Nick Salzano,” and Rey E. Grabato, II*, Dkt. 19, 22-cr-690 (EP) (D.N.J.). The next day, October 13, 2022, the SEC filed a separate civil complaint—against Salzano, Grabato, Arthur Scutaro a/k/a Arthur Scuttaro (“Scutaro”), and others—with claims parallel to the additional charges set forth in the 22-cr-690 indictment in the Criminal Case. See *SEC v. National Realty Investment Advisors, LLC, et al.*, 22-cv-6066 (EP/SDA) (D.N.J.). That case was also stayed pending further order of the court. See 22-cv-6066, Dkt. 39. Separately, on October 13, 2022, in a related criminal matter, Scutaro pled guilty to an Information charging him with the same conspiracy as alleged in the 22-cr-690 indictment in the Criminal Case. See *United States v. Arthur S. Scuttaro, a/k/a Arthur S. Scutaro*, 22-cr-692 (EP) (D.N.J.), Dkt. 3.

On February 27, 2024, Salzano pled guilty in the Criminal Case to securities fraud and other related offenses. See 22-cr-690 (EP), Dkts. 84, 86. On November 12, 2024, pursuant to his guilty plea, Salzano was sentenced to a term of 144 months’ imprisonment. See 22-cr-690 (EP), Dkt. 102. Salzano is currently incarcerated at the FCI Fort Dix with a current release date in 2034.

Hon. Andre M. Espinosa

May 29, 2025

P a g e | 2

On April 29, 2025, pursuant to his guilty plea in 22-cr-692, Scutaro was sentenced to 46 months' imprisonment and is scheduled to surrender in June 2025. The SEC has engaged in settlement discussions with him to resolve the separate SEC action against him, and anticipates reaching a settlement within 90 days. Counsel for Scutaro has indicated that he has no objection to continue the stay of the separate SEC action while settlement negotiations are ongoing

The Criminal Case remains pending against Grabato, whom the SEC understands is currently a fugitive in the Philippines.

Although Salzano is unrepresented by counsel in both this action and the separate SEC action against him and other defendants (22-cv-6066), the SEC has been engaged in ongoing settlement discussions with Salzano in an effort to see if both SEC actions can be resolved on consent.¹

Because the SEC anticipates reaching a settlement agreement in the separate SEC action with one or more parties within the next 90 days, the SEC respectfully proposes to provide a further status report by August 27, 2025, the same date by which the SEC proposes to provide a status report in the separate SEC civil enforcement action, *SEC v. National Realty Investment Advisors, LLC, et al.*, 22-cv-6066 (EP/SDA) (D.N.J.). To the extent that the SEC has not reached settlement terms with one or more defendant, the SEC anticipates requesting that the stays in both the separate SEC case and this action be lifted in September 2025.

Respectfully submitted,

/s/ Paul G. Gizzi

Paul G. Gizzi

Senior Trial Counsel

cc: Hon. Brian R. Martinotti by ECF
Counsel of Record by ECF
Defendant Thomas Nicholas Salzano, *pro se*, by US Mail

¹ Although counsel's filings in this action had stated that Salzano was represented (*see, e.g.*, Dkt. 12), counsel has since indicated that the representation was limited to the issues of accepting service and staying civil litigation during the pendency of the Criminal Case.